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MIDYEAR REVIEW

1966 PRODUCTION BELOW LAST YEAR'S RECORD

Agricultural output reached record levels in the Western Hemisphere in 1965, as reflected in respective production indices (1957-59=100) of 130, 115, and 123 for Canada, the United States, and Latin America. Less favorable conditions have prevailed this year and a significant decline in total production is expected.

The impact of midyear drought on U.S. farm production may more than offset the record Canadian output in prospect this year. Drought has also affected production in the Caribbean, Peru, and Bolivia. Crops in Mexico and Brazil will be smaller than in the record year of 1965. Total agricultural output in Latin America may be from 3 to 5 percent below the record 1965 level despite a significant recovery in Argentina and Uruguay.

The 1966 outlook is for lower production of principal Hemisphere export commodities, including feedgrains, oilseeds, coffee, sugar, cotton, and dairy products. A slight rise is expected for other products, including rice, cocoa beans, bananas, and tobacco. Exports of grains, oilseeds, cattle, and dairy products were maintained near record levels during early 1966 and forward trade commitments appear unusually large, particularly for wheat. Available export supplies for many commodities are already restricted relative to demand. They may be reduced even further by year's end, contributing to a general upward pressure upon world prices. In contrast, stocks of other commodities--including coffee, sugar, and cotton--are expected to continue at high levels relative to demand throughout the year.

Reductions in the Mexican and U.S. wheat crops for 1966 may be more than offset by larger wheat harvests in Canada and Argentina. Argentine and U.S. wheat stocks, at midyear, were down sharply from a year earlier. Despite a

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significant reduction, wheat stocks remain high in Canada. A large proportion of the Canadian wheat crop now being harvested is committed under delivery contracts to Japan, Mainland China, the USSR and other European Communist countries, or is pledged as aid to India.

Larger rice crops are anticipated for 1966 in the United States, Colombia, Peru, and Guayana. However, some reduction is forecast in the harvest for Brazil, the Hemisphere's largest rice producer.

Significant gains are expected for barley in Canada and for corn and grain sorghums in Argentina. These increases may partially offset reductions anticipated for corn in Mexico and Brazil and for corn and other feedgrains in the United States.

A general decline is forecast in 1966 output of edible oilseeds in the major producing countries. Production in Argentina was down slightly. A smaller rapeseed crop is expected for Canada. A slight rise expected for U.S. soybeans may be more than offset by significant reductions in other oilseeds. Soybean stocks this year have been reduced by strong domestic and foreign demand and domestic use for livestock feed may increase further.

A sharp reduction is anticipated for U.S. cotton production; slightly smaller crops are forecast for Mexico, Central America, and Peru. However, stocks are expected to remain high relative to domestic and foreign demand at year's end, particularly in the United States. The United States initiated a program to reduce cotton area this year. This year's reduction in the world price may encourage some shifting of marginal cotton lands into other alternatives in other producing countries.

Reduced 1966 sugar output reflects a sharp reduction in the Cuban sugar crop, since increased production in Mexico, Colombia, the Dominican Republic, and Peru will probably offset smaller harvests expected for Brazil and Argentina. Hemisphere sugar supplies remain at a relatively high level due to expanded production in recent years. As of July this year, the Western Hemisphere quotas and prorations in the U.S. market had been increased to 2.16 million tons from a 1965 level of 1.88 million metric tons. Allocations were near those of 1965 for the Caribbean, and were increased by 4 percent for Mexico and Central America and by 37 percent for South America.

A 10 percent decline in the 1966 Brazilian coffee crop overshadowed gains in other producing areas. However, production remained well above the 1965/66 quota of 1.9 million metric tons established for Hemisphere suppliers by the International Coffee Agreement and large stocks continue as a serious problem. It is anticipated that Latin American production of cocoa beans will exceed 1965 levels. Some rise in bananas is also expected.

Due to drought conditions in the United States, some fruits and vegetables are in short supply. Because of prospective decline in per capita production of basic food products in Latin America, increased imports of foodgrains, pulses, fats and oils may be required, particularly in the Caribbean, Brazil, Chile, and the Andean countries.

Larger meat output is anticipated for the major producers, including Canada, the United States, Argentina and Uruguay, with some rise in wool output. Canadian and U.S. dairy production will be reduced this year and no significant expansion is expected in Latin America. Smaller supplies and strong domestic demand are expected to restrict U.S. exports of most dairy products in 1966.

CANADA

According to information available as of mid-July, Canadian agricultural production for 1966 may exceed the record level of 1965 when the production index (1957-59=100) was estimated at 130. The area seeded to grains in the Prairie Provinces is the largest in recent times. Late rains supplemented good soil moisture reserves to improve growth of major Canadian crops. The marketing and slaughter of livestock are continuing a rising trend with record production expected in 1966.

The estimated Canadian grain area of 47.2 million acres was 8 percent above 1965 and 7.3 percent above the record area planted in 1964. Major gains were in wheat, up 7 percent at 30.3 million acres, and barley, up 20 percent at 7.2 million acres. These gains were partially offset by a decline of 15 percent for rye.

Assuming 1965 yields, Canadian wheat production would approximate the record 1963 harvest of 19.7 million metric tons (723.4 million bushels). However, reported growing conditions and unofficial estimates suggest improved yields with the possibility ranging to more than 20.5 million tons (750 million bushels). At 1965 yields, barley production would approximate 5.6 million tons, compared with the 4.7 million ton crop harvested in 1965. Planted area and growing conditions suggest some increase in the 1966 harvests of other grain crops.

Following a continued rise since 1961, the planted area for oilseed crops declined in 1966. The estimated area for 1966 was down from 1965 by 8 percent and 3 percent respectively for flaxseed and rapeseed, the two main crops, with soybean plantings continuing a slight rise. A larger potato area is expected with improved yields in prospect. Most producing provinces report good hay crops and pasture conditions. Hailstorms have damaged apples in major districts of the Maritime Provinces.

Cattle numbers declined from 11.9 million head on December 1, 1964, to 11.6 million a year later, following a continuing buildup since 1959. Despite this, cattle marketings have continued to rise, with total receipts at stockyards and slaughterhouses through July 2 up about 5.5 percent from record levels of the previous year. This trend may be maintained by strong demand, an adequate supply of forage and feedgrains, and the availability of satisfactory pastures. Hog slaughter was below 1965 levels early this year but spring farrowings and fall intentions indicate a significant recovery later in the year and extending into 1967. It appears probable that red meat production for 1966 will exceed the 1965 level of 1.34 million metric tons.

The Government initiated a new dairy policy, effective April 1, which was designed to stimulate production to meet growing demand. New policies increased the guaranteed producer price for manufacturing milk from $3.30 to $4.00 per cwt. by stabilizing at $3.25 per cwt. price to processors with the balance in a direct payment to the producer. However, favorable livestock prices have encouraged increased slaughter of dairy cattle--milk production may decline from the 1965 level of 8.3 million metric tons.

Despite strikes and other difficulties, Canada has maintained near-capacity grain exports and the total 1966 wheat trade may be near the record 1964 level of approximately 15 million tons, with large sales contracts extending into 1967. A significant portion of the August 1965 sale of 5 million tons to Russia must be delivered by the end of this calendar year, with an additional 3 million tons scheduled for the marketing year that began August 1, 1966. Approximately 1.6 million tons were negotiated for delivery to Mainland China under the 3-year agreement negotiated in August 1965. Japan has contracted for delivery of 1.7 million metric tons of wheat from August 1966 through July 1967. Current estimates indicate that Canada may sell up to one-third of its wheat to the USSR and Mainland China during the next 3 years.

UNITED STATES

U.S. farm production in 1966 is not expected to match the record for 1965, when the index of total agricultural output (1957-59=100) was estimated at a record value of 115. Information available as of August 1 indicates a prospective harvested crop area near 292 million acres, the second smallest in recent years. Late winter weather delayed seeding and early crop growth and the lack of spring and early summer rainfall reduced prospects for harvests of wheat, rye, feedgrains, and forage crops in the important producing areas of the central and western plains. These reductions, plus an expected decline in cotton and potatoes, may more than offset larger harvests in prospect for rice, soybeans, sugarcane, and tobacco, and some anticipated increase in livestock production.

August 1 estimates indicate a 1966 harvested area of 49.1 million acres for wheat, slightly below the previous year. Estimated yields of 26.2 bushels per acre compared with 26.9 bushels in 1965, reflecting general reductions for spring wheat and for southern portions of the winter wheat area. Total production is estimated 3 percent below the 1965 harvest of 36.1 million metric tons. Rye production is estimated 18 percent below the 1965 level of 660,800 metric tons. Continued expansion is anticipated for rice with production estimated up 8 percent from the 1965 record of 3.5 million tons.

The August 1 estimate for the 1966 corn crop was 101 million metric tons, nearly 5 percent below last year. Harvests of oats, barley, and sorghum grains also will be much smaller this year. Hay production is expected to be down 9 percent from last year.

The area planted to cotton for 1966 is reported at 9.8 million acres, approximately 25 percent below 1965, with production down 28 percent. The sharp decline resulted from relatively heavy participation in the acreage

diversion program. Seeding conditions have not been favorable in some areas, particularly the South Central region. A slight expansion is anticipated in area planted to American-Egyptian cottons.

A record soybean area of 36.9 million acres indicates some diversion of land from cotton. However, drought affected yields and production is currently forecast at 23.4 million metric tons, only 2 percent above 1965. Peanut production is 12 percent below the record of 1965. A significant decline is anticipated for flaxseed and cottonseed.

Some recovery is expected for tobacco. Production is estimated slightly above the 1965 crop of 841,000 metric tons, with major gains in flue-cured tobacco. Sugarcane is forecast up 9 percent at 25.7 million tons but the anticipated sugarbeet output of 20.1 million tons is down 4 percent from 1965.

Citrus production for the 1965/66 growing season is estimated 14 percent above the previous year but deciduous fruit is forecast down 5 percent due to smaller crops of apples, sour cherries, apricots, prunes, and grapes. Production of summer vegetables is expected to be down slightly but the area of principal vegetable crops for commercial processing is estimated 8 percent above last year. A 6 percent increase in potato acreage has been forecast but yields are down sharply and indicated production is 3 percent below last year.

Cattle numbers in January 1966 were below peak levels of a year earlier. However, numbers of feeder cattle available were up and numbers on feed were a record 8.3 million head on July 1, 1966. There is a strong possibility that increased marketing and slaughter of fed cattle will provide a moderate rise in beef and veal supplies during the year. Hog slaughter was down early this year but larger spring and summer farrowings indicated a significant rise in slaughter supplies later in the year and extending into 1967. Supplies of chickens and turkeys may be up 8 to 10 percent, indicating some increase in total meat production during 1966. Due to some reduction in cow numbers and smaller than usual gains in output per cow, total milk production is expected to decline again.

Strong demand--domestic and foreign--continues to maintain upward pressure upon prices for agricultural products. Exports during January-May 1966 were estimated 12 percent above the same period in 1965. Strong gains in wheat, feedgrains, tobacco, soybeans, meat and poultry products were only partially offset by reduced trade in fats and oils, rice, and dairy products. June 30 wheat stocks were estimated at 15.1 million metric tons--down about 35 percent from July 1, 1965. With continued heavy export commitments in prospect, a 15 percent increase in the national wheat allotment for 1967 was announced on May 5. Another 15 percent increase was announced on August 8.

MEXICO

Agricultural conditions appear generally favorable in Mexico and total production may be near the record level achieved in 1965, when a revised production index (1957-59=100) was near 144. Changes in Government price policy

for 1966 may result in shifting a large amount of irrigated land--estimated to range from one-half million to 1 million hectares--from wheat and corn into grain sorghums and oilseed crops.

A prospective rise in grain exports requiring subsidy led the Government to discontinue price supports for corn in irrigated areas and to reduce the price for wheat from $73 a ton to $64 in the high-yield irrigated area of Northwest Mexico. Due principally to reduced area, the 1966 wheat harvest is estimated at 1.6 million tons, compared with a revised estimate of 2.1 million tons for 1965. Corn production is expected to be down to about 7 million tons, compared with a revised estimate of 7.5 million for 1965. Grain sorghums are expected to be up sharply from last year's harvest of 510,000 tons.

The 1966 cotton area is forecast near last year. However, problems of soil salinity and low irrigation water supply in some northern areas may reduce production below the estimate for the 1965 crop, recently revised to a record 566,000 tons.

The 1966 sugar crop is forecast at an all-time high, with the sugarcane harvest up 7 percent from the 21.7 million tons of last year. The 1966 coffee crop is estimated to be slightly below 1965. A continued rise is anticipated for Mexican output of citrus fruits, melons, and winter vegetables this year.

Oilseeds may expand significantly because of shifts of land from wheat and corn. The principal effect may be a continued rise in soybeans and safflower seed. Numbers of cattle and poultry are continuing to rise. Meat production is likely to be up from last year with milk production remaining near the 1965 level.

Cotton exports during early 1966 continued well above 1965; this should be a good export year. Larger sugar exports are in prospect since the Mexican allocation in the U.S. sugar market is slightly above 1965. However, wheat production is not expected to exceed domestic requirements and a significant decline in corn exports is anticipated.

CARIBBEAN

In the Caribbean countries (excluding dependencies), agricultural output for 1966 is expected to decline significantly from 1965 when the index of production (1957-59=100) was estimated at 95. Hurricanes caused extensive damage to growing crops in western Cuba late last year. Drought conditions prevailed in the Western Caribbean during early 1966; normal conditions in the Northeast.

The Cuban sugar crop is estimated near 4.5 million metric tons compared with 6 million tons in 1965. With return of political stability, the Dominican Republic should resume normal production of about 800,000 tons. Slightly larger sugar crops are expected in Haiti with some decline for Jamaica and Trinidad-Tobago due to drought.

Preliminary estimates suggest little change in total production of other export crops including coffee and cacao. Cuba's crops of rice and other foods, including corn and beans, are expected to be below a year ago.

Weather conditions in Jamaica are near normal and small increases in harvests of food crops are expected. Very dry weather hurt crop production in Trinidad-Tobago and harvests of most products are expected to be well below normal. Both Haiti and the Dominican Republic appear to have escaped much of the drought typical of the Caribbean this year and some increase in food production seems probable.

Agricultural exports for 1966 will be below 1965. Larger imports will be needed to meet food requirements, particularly in Trinidad-Tobago.

CENTRAL AMERICA

Near normal agricultural conditions prevailed in Central America during 1966. With recovery from drought conditions in Nicaragua and El Salvador, the outlook for total production of the 6 countries (excluding British Honduras) is for some increase from 1965 when the revised production index (1957-59=100) reached 143.

The harvested area for cotton in El Salvador continued a sharp decline in 1966. A slight reduction is anticipated for Guatemala because of increased production costs and lower export prices. This may be partially offset by improved cotton yields in Nicaragua, with total production for all countries slightly below the revised estimate for 1965 of 240,000 metric tons. Sugar output may be slightly above the 512,000 metric tons estimated for 1965. Preliminary estimates indicate a 7 percent increase in coffee production, with major gains in El Salvador and Nicaragua. Banana production is expected to continue to expand somewhat in Costa Rica, Honduras, and Panama with total production expected to be above the 1965 level of 2.4 million metric tons.

Production of corn, rice, and pulses and other food crops may increase moderately due to area expansion and good growing conditions in most areas. Seasonal shortages of beef occurred in Guatemala and Panama; Guatelama suspended exports for 2 months. The outlook is for little change in meat production for the region but some increase in milk output, particularly in Costa Rica and Honduras.

Cotton exports for the region should continue near the 1965 level with a continued rise in the banana trade. Central American trade will benefit from an increased 1966 allocation in the U.S. sugar market. Improved production suggests slightly reduced imports of food in 1966.

COLOMBIA

A delay in the rainy season resulted in early drought in some areas during 1966. However, with later improvement, 1966 agricultural production is expected to continue rising and exceed the 1965 output reflected in a production index (1957-59=100) of 122. A slight decline is anticipated for coffee with a significant rise for sugar and rice. Output of basic food crops is expected to continue near 1965 levels.

The 1966/67 coffee crop, forecast at 468,000 metric tons compared with 492,000 tons for 1965/66, is still well above the 1965/66 quota of 340,000 tons assigned to Colombia under the International Coffee Agreement. The 1966 forecast of 508,000 tons for production of centrifugal sugar is 15 percent above 1965. Noncentrifugal sugar production is expected to be slightly reduced at 630,000 tons. The 1966 cotton harvest is estimated near the 1965 level of 60,000 tons, slightly below present consumption requirements.

Rice production is continuing to rise; 1966 production is forecast at 707,000 tons, compared with 672,000 tons in 1965. Barley production may be up slightly with harvests of wheat, potatoes, beans, and other food crops near the previous year's level. Estimates of oilseed production are up slightly, due principally to soybeans. Beef and milk production are expected to be near the 1965 level.

A slight decline in per capita food production is in prospect during 1966. To meet requirements, Colombia may need to supplement its $17 million Title IV, PL 480 program for wheat, edible fats and oils with additional food imports during the coming year. Coffee exports in 1966 will probably continue near the 1965 level of 330,000 tons. Colombia's 1966 allocation in the U.S. sugar market is 42,800 tons, an increase of 38 percent. Increased sugar exports to Japan are also expected in 1966.

BRAZIL

A better than average year is anticipated for Brazilian agriculture in 1966 but total output may be as much as 10 percent below the record levels of 1965, when the production index (1957-59=100) reached 129. Reductions are anticipated for coffee and sugar. With production of major grains and beans below the record levels of last year, Brazil is expected to import Mexican beans this year. Government removal of beef price controls in January may contribute to a significant expansion in the cattle industry. Reports indicate that some shift of land from food crops and cotton into pasture is already in progress.

Moisture and other conditions were generally favorable for coffee but 1966 production is estimated between 1.4 and 1.7 million tons compared with last year's large crop of 2.2 million tons. However, recent frosts in Parana, the principal coffee state, are expected to reduce the 1967 coffee crop. The 1966 coffee crop is expected to be of good quality with exportable production somewhat above the current export quota of about 1 million metric tons.

In contrast to coffee, Brazil's harvest of cocoa beans should equal or exceed the large 1965 crop of 138,000 metric tons. 1966 sugar output is not expected to reach the 1965 record level of 4.8 million metric tons. The southern cotton area declined by an estimated 15 percent but yields were favorable. Despite anticipated reductions in the Northeast cotton crop, total 1966 production is forecast near the 430,000 tons harvested in 1965.

Declines in output of grains and beans are expected with diversion of area to pasture or other crops. The 1966 corn harvest is estimated near 10.4 million tons compared with a revised estimate of 11.9 million last year. With

reduced plantings in southern Brazil, rice is expected to decline from the 6.3 million tons in 1965 to 6.2 million in 1966. The wheat forecast is 200,000 tons compared with 245,000 last year. Excessive rains reduced yields of dry beans and, despite a larger planted area, production is estimated 25 percent below a year ago.

Larger oilseed output is anticipated this year. Peanut production continues to rise. The recent harvest reached 782,000 metric tons, compared with the previous record of 662,000 in 1965. The soybean crop is expected to be near last year's record of 452,000 tons.

Cattle numbers have continued to rise in recent years; hog numbers have remained relatively stable. Action to remove beef price controls encouraged some rise in cattle slaughter in early 1966 although seasonal beef shortages have been reported in principal markets during recent months as prices stabilized at lower levels. Current estimates anticipate a rise of at least 5 percent in beef production this year with small changes in output of other meats. Some continued rise is anticipated for milk production.

Brazil is expected to import more than 2 million tons of wheat this year; principally from the United States and Argentina. Arrangements are also being made to import beans from Mexico to stabilize food prices. Some rice exports continued in early 1966. The 1966 total is forecast near 150,000 tons compared with 236,400 tons in 1965. Corn exports for 1966 are estimated near 400,000 tons.

Brazilian surpluses of coffee and sugar continue as difficult problems. Serious consideration is being given to expanding the incentive program to reduce numbers of coffee trees and shift land into pasture and food crops. The suggested goal is to stabilize coffee production near an annual level of 1.5 million metric tons.

PERU

Adverse weather is expected to reduce 1966 Peruvian agricultural output for the second consecutive year with the production index (1957-59=100) slightly below the 1965 estimate of 119. Drought in the northern highlands cut water supplies available for irrigation in the northern Coastal region early this year. Frost and drought are expected to seriously reduce livestock and food crop production in most of the southern Andean highland region. There was some shift from cotton to rice and other food crops.

The 1966 cotton area is forecast about 10 percent below 1965 due mainly to a shift to rice in the central Coastal region. Drought reductions in the tanguis (long-staple) crop in this area were partially offset by improved yields of northern pima and other extra-long-staple varieties. Total cotton output is forecast slightly below the 1965 harvest of 120,000 metric tons. Sugar production is estimated at 810,000 metric tons, compared with a revised estimate of 770,000 for 1965. The first estimate for 1966 coffee production is 55,000 tons, up slightly from the previous year.

Despite lower prospective yields in northern producing areas, the rice crop is estimated at 300,000 tons, compared with 284,000 tons in 1965. Corn production may be well below the revised estimate for 1965 of 530,000 metric tons due to drought in the southern Andean highlands. Adverse weather may also contribute to some decline in output of other highland grain crops, livestock, and potatoes.

The prospective decline in production may result in a slight reduction in agricultural exports and a possible rise in imports of wheat and other food commodities. Export supplies of fishmeal may be higher than a year ago although below the record of previous years.

ARGENTINA

Argentine agriculture is expected to recover from a 2-year decline in 1966 with total output up significantly to near the 1963 record level, when the production index (1957-59=100) stood at 115. Favorable weather and increased plantings produced significant expansion in early crops. Favorable price expectations encouraged an increase in area seeded for later harvests. A recovery trend is continuing in output of meat and other livestock products.

Increased use of hybrid seed, now estimated at 60 percent of total area, has encouraged a significant rise in corn production in recent years. With a larger seeded area and favorable moisture conditions, the 1966 crop harvested early in the year is estimated near a postwar record of 7.1 million metric tons, up 37 percent from 1965. Sorghum grain yields were above normal with a harvest near 2.1 million tons, compared with subnormal production of 857,000 tons in 1965.

Favorable price prospects encouraged record seedings for the 1966 wheat crop. Despite some uncertainty regarding moisture levels for the remainder of the year, the wheat harvest is expected to exceed the revised estimate of 5.4 million tons for 1965.

Seeding of barley, oats, and rye have been completed under near-normal conditions with prospects for recovery from the small harvests last year. In contrast, rice plantings were reduced and the 1966 crop of 174,000 metric tons is the lowest since 1959.

Heavy rains near harvest time damaged the peanut crop. The current estimate of 410,000 tons indicates a 7 percent drop from last year. The sunflower seed crop was also affected but is currently estimated at 760,000 metric tons, up slightly from last year. Some rise in flaxseed may be anticipated from the small 1965 crop, currently estimated at 570,000 metric tons. Because of heavy rains near harvest time, production of cotton and cottonseed is expected to decline by more than 40 percent.

According to revised estimates, the record 1965 sugarcane harvest yielded 1.2 million metric tons of sugar. Large surplus stocks and the low world price led the Government to limit sugar production to 900,000 metric tons this year. The Government also announced its intention to facilitate the export of 400,000 metric tons of its surplus abroad in 1966.

A strong buildup in cattle herds, in progress since 1963, appeared to be leveling off with a significant increase in marketings reported during January-June 1966. It is expected that cattle slaughter and beef production may rise by as much as 10 percent in 1966. Some expansion is anticipated for pork.

Argentine wheat exports will be limited during the remainder of 1966 with the year's total well below the 1965 level of 6.5 million metric tons. Corn should be considerably above the 1965 exports of 2.8 million tons. Some increase is anticipated for sorghum grains. Beef and veal exports may not rise in proportion to the increase in production due to an increase in domestic consumption.

OTHER SOUTH AMERICAN COUNTRIES

On balance, agricultural output for 1966 in other South American countries should exceed 1965. A slight decline is anticipated for Chile. Venezuelan agriculture is expected to continue an annual uptrend. A significant recovery is expected in Uruguay with some increase in Ecuador and a reduction in output for Paraguay and Bolivia.

The Venezuelan outlook is for some increase in agricultural output. The 1965/66 sugar output is estimated to be slightly above the previous year. A decline is expected for coffee. The corn crop is estimated slightly above the revised 1965 estimates of 520,000 tons. An increase of nearly 40 percent is estimated for output of dry beans. Little change is forecast for meat production, but milk, poultry meat, and eggs continue to expand steadily.

Heavy rains in early 1966 improved Uruguayan prospects, particularly for livestock production. Sheep numbers at the beginning of 1966 were above the previous year. Favorable pasture conditions indicated the possibility of a 1966 wool clip in excess of the 84,000 metric tons attained in 1965. Cattle slaughter and the situation for meat and hide production should also be improved. Rice production in 1966 is estimated up 20 percent. The corn harvest is up an estimated 131 percent from the 1965 drought year. Production of wheat, oilseeds and other grains should also benefit from improved moisture levels.

Chile's agricultural output reflects a 1.15 million ton wheat crop harvested in February 1966--8 percent smaller than that in the previous year. Rice production for 1966 was estimated at 87,700 tons, somewhat below the record 1965 harvest. However, sugarbeet production was estimated up 11 percent; a 16 percent increase is in prospect for sunflower seed and rapeseed. A general improvement is anticipated for potatoes, pulses and livestock products in 1966.

Ecuador's export banana production in 1966 is expected to be above that of last year. Larger harvests of rice and sugarcane are also in prospect. These gains may be partially offset by reduced highland production of potatoes and beans due to late frosts.

Heavy rains and flooding in early 1966 seriously reduced Paraguay's cotton, tobacco, and corn crops and may prevent harvest of some sugarcane.

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Bolivian agriculture suffered from frosts and droughts which reduced production of barley, potatoes, and other basic highland food crops. Production of rice in Guayana is estimated at 290,000 metric tons compared with a 1965 harvest of 264,000 tons, in spite of a serious drought which adversely affected some other crops. Total agricultural output may increase somewhat in Surinam. Little change is expected in French Guiana.

This report was prepared in the Western Hemisphere Branch under the direction of Howard L. Hall.

The discussion in this paper is focused upon agricultural prospects for 1966 based upon information available as of August 15. It also provides an updating of certain information presented in: The Western Hemisphere Agricultural Situation--Review of 1965 and Outlook for 1966, ERS-Foreign 154, March 1966.